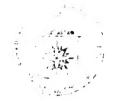
They 19, 1956



CENTRAL :NTELLIGENCE AGENCY

OFFICE OF THE DIRECTOR

The Senerable Richard B. Russell Shateman react Committee on Armed Services Sections to 25, D. C.

Congresir, hairman:

impreciated very much the opportunity to discuss with you the probiom a linearing the new CIA headquarters installation. The purpose of this fetter 3 to summarise, for your information and records, the facts in this matter is we now see them.

or original estimate of the cost of construction of our new building too 355, 30, 300, the original estimate of the Public Buildings dervice was 350, 300, and after our discussions with the Bureau of the Sudget we converted the Congress for an authorization of \$50, 800, 300. At final public rotation, (mich was contained in the Military Construction act of 1955)

they the enactment of both prixing legislation, and since the enactment a server to arrawing as of clans and eseculcations for the building and cerain ther trainmary stone, to have propared detailed cost estimates as a saura the an appropriation recuest. Aithough we attempted so live within our architects and by the enable prices deministration that it would be impossible to construct a supplied which would house all is our employees, even ander the most sustere turns are a mu conditions, or \$40,000,000. Since the original cost estimate a 333, 330, 330 was made by the shibile fluidings fervice in March of 1955, the manager wost index has increased by 5.7%, and the trend continues upward. the new estimated that under the present authorization, a reduction from of net usable space would be required in the iniding, which in turn means that we would be unable to house several bungrow which employees. Carrent estimates indicate that roughly \$56,000,000 spaid the se required in order to permit construction and site development in languisties which would house all Agency personnel. This estimate is subject zo change as more detailed plans and specifications are drawn, but, taking al factors anto consideration, it is highly unlikely that the final estimate will he my lower than this amount.

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wante the foregoing, we deel there are good and sufficient reasons n proceed immediately with an appropriation request for the full amount revenily athorized, and his request is now before the Congress, mithough smare sees is maddle space will have to be sacrificed, the muiding sow pannesses would provide space for all of our employees who are now source a comporary buildings, aus permitting the systemation of that space to that to demodition will be possible in accordance with Covernment plans for arran conewas to the district of Columbia, and as required by the act asharrang our building. The socal number of buildings occupied by the remain said he considerably reduced, with resultant benefits. Finally, what the last relay, he addition to perpensing excessive operating costs, and salten on appreciable parther mereas in construction costs, thereby sauther ore sound the space that could be provided with the funds available. ar arrangers have planned the saulding so that additions can be made withas of the class of and other audittown funds are authorized and appropriated. " A - " , Descriptions, stating, or conditioning and other taculities will a construction of it to recommodate a larger building than we would be the the theretor made ar erasur amhorization and appropriation proudes. 1 11 - 11 Cronduard, but all common to waste our mendings outpenden a la stan in the standard or mading the milding.

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